

Week Ending Friday, September 12, 2003

**Remarks to Langham Company  
Employees in Indianapolis, Indiana**  
*September 5, 2003*

Thank you all. Thanks for coming. It's such an honor to be here with the Langham family and the employees of this incredibly vibrant company. I want to thank the CEO for such a fine introduction. I am honored that Cathy would invite me here and give me a chance to talk about some of the challenges which face our Nation, the challenge of making sure this Nation is secure and the challenge to make sure people can find work.

I know you all have been through some challenges here in the State of Indiana because of some recent flooding. Today I had the privilege of telling your Governor when I landed that I recently signed a disaster declaration that will provide Federal funds to help the folks who suffered as a result of the disaster that took place in many parts of your State.

There are a lot of Americans looking for work, and we need to do something about that in Washington, DC. We've taken steps to get our economy growing again, and there are some very hopeful signs that progress is being made. I'm optimistic about the future of this country. Yet today's unemployment report shows we've got more to do, and I'm not going to be satisfied until every American who's looking for a job can find a job.

I have laid out a comprehensive plan for job creation all across America. And for the sake of our fellow citizens, I look forward to working with the United States Congress to get this comprehensive plan passed. And one Member who will help get this plan passed, and a man who represents Indiana with such distinction and class, a man who is a person with whom my administration works closely, the chairman, Dick Lugar.

I want to thank John and Margaret Langham, as well as Cathy, for allowing my entourage to—[laughter]—which is quite

large these days—[laughter]—to invade this beautiful facility. I want to thank the employees for welcoming us. I know it's not easy to have your day disrupted by a Presidential trip, but I'm honored to be here. [Laughter] And I want to thank you for your hard work.

One thing is for certain, that you've earned the respect of the Langham family. Walking in here, Cathy was telling me how proud she is of the 55 fellow workers, people who make this small business grow and become vibrant. So I want to congratulate you for your productivity and your hard work as well. You know, one of the great things about America is that we've got the best workforce in the world. We've got the finest workers and finest employees.

I also know that the attorney general of the great State of Indiana is with us today, Steve Carter, and I appreciate Steve being here. I want to thank Zionsville High School for being here today. I appreciate you all singing. I'm sorry I didn't get to hear you. I want to thank the Kobes for leading the Pledge. I appreciate Brenda Williams coming.

Today when I landed there at the airport, I also not only spoke to the Governor and the attorney general, but I spoke to a lady named Joyce Irwin. You probably don't know who Joyce is. She is—I will tell you, though. She is a soldier in the army of compassion. She's one of the thousands of people all across our country who have heard a call to love a neighbor just like you'd like to be loved yourself.

There's great talk about the might of America, and we're mighty. And I intend to keep it that way. We've got great military might, economic might. But the truth of the matter is, the great strength of America is the heart and soul of the American people. The great strength of our country is the fact that there are millions of our fellow citizens like Joyce Irwin who are willing to lend a hand to a neighbor in need. The great

strength of America is the fact that on a daily basis, there are millions of acts of kindness and mercy that helps change America to a more hopeful place, one heart, one soul at a time.

Joyce Irwin is a volunteer. She's active with the Little Red Door Cancer Agency, the Fairbanks Hospital, the Meridian Street United Methodist Church. She helps round up donations of clothing to those who need to be clothed, food for those who need to be fed. But most important, she dedicates her time to those who need to be loved. My call to our fellow Americans is love your neighbor just like you'd like to be loved yourself. Thank you, Joyce.

I mentioned the fact that our Nation is facing big challenges. One of the big challenges, of course, is for me, my administration, and those of us who have been honored to serve the American people, to do our solemn duty and protect the security of the American people. We must never forget the lessons of September the 11th, 2001, a sobering reminder that oceans no longer can protect us from forces of evil who can't stand what America stands for. There are people in this world who hate the thought that we believe in free societies, we believe people should worship freely, speak their mind freely. And since we're not going to change, since we're not going to change our attitude about freedom, we've still got an issue with these terrorists.

And we're doing everything we can to protect the homeland. We've got better coordination amongst law enforcement agencies. We're monitoring our ports and points of entry in ways we never have before. We've got emergency preparedness teams in place. But the best way to secure the homeland, the best way to do our duty to provide security for the American people and future generations of American people, is to hunt the terrorists down, one by one, and bring them to justice.

Not only must we stay on the offensive against those who would do us harm, and not only we must—must we continue to disrupt terrorist training camps to deal with dictatorial regimes who would threaten us and/or arm terrorists to threaten us, but we also must continue to promote freedom. Free so-

cieties are likely to be peaceful societies. Free societies are societies which won't threaten their neighbors or use weapons of mass destruction. America believes that freedom is not America's gift to the world, that freedom is God's gift to every individual who lives in this world.

And at home, we must recognize that while the signs are pretty good about our economy, there's still people looking for work. And we've got to do something about that. I said I was optimistic about our economy, and I am, for good reason. We have been through a lot. And yet, we're still strong. Let me remind you of what we've been through.

The attacks on America cost us about \$80 billion. That's a lot of money. The attacks hurt our economy at a time when we were beginning to recover from a recession. In March of 2000, the stock market started to decline. Investors began to realize, well maybe this economy wasn't quite as strong as it had been in the past. And we were in recession in the first quarters of 2001. We had negative growth. People were beginning to look for work. Things weren't good.

But the economy began to come back because we actually passed a really good tax bill out of the Congress. And then the enemy hit us, and it hurt. It hurt economically. It hurt the Nation's psyche to think that we were vulnerable to coldblooded killers that could come and in one day take the lives of thousands of innocent people.

But we began to recover. We took some actions in Washington. For example, we passed terrorism insurance plan to help encourage building of large construction projects, keep those hardhats working. We dealt with the airline industry for the short term. I mean, we took action, and we started getting better.

And then a third thing happened. We had some of our fellow citizens forget to—forgot what it means to be a responsible citizen. We had some corporate CEOs who didn't tell the truth to their employees and to their shareholders. And that affected the confidence of the people, affected the confidence of people that were thinking about investing. So we took action there, by the way. We passed tough laws. The message is

clear: If you don't tell the truth, there's going to be serious consequences.

In spite of these challenges, the economy is growing. I think one of the main reasons it's growing is because of the tax cuts we passed. I believe that when somebody has more money in their pocket, they will demand an additional good or a service. And when they demand additional good or a service, in our society somebody will produce that good or a service. And when somebody produces that good or a service, it means somebody is likely to find work. The tax relief plan we passed that let you keep more of your own money came at the right time.

We cut rates on everybody who pays income taxes. We didn't try to pick or choose winners. We said, "If we're going to have tax relief, if you pay tax, you ought to get relief."

We increased the child credit from \$600 per child to \$1,000 per child. We want to help our moms and dads with the responsibility of raising their children. And by the way, because of the '03 bill, we put the check in the mail in July of this year.

We reduced the effects of the marriage penalty. It doesn't make any sense to penalize marriage in the Tax Code. We wanted to help those who own stock directly or indirectly. Many of you own stocks through your pension plans. Many of you own stocks and bonds directly. So we cut taxes on dividends and capital gains to encourage investment. And that particularly helps our seniors. Many of our seniors rely upon dividend income, and they're retirement age, and that helps our seniors realize—have good—be able to have more money in their pocket as they get in their retirement years.

And all in all, we began to affect people's pocketbooks in a positive way. If you're a family of four making \$40,000, your tax bill went from \$1,978 to \$45, thanks to the tax bill we passed.

We always talk about numbers in Washington. And that's okay. It helps us try to understand where we're going. But what I like to do is try to relate what this tax plan means for our fellow citizens.

The Bakers are with us, Doug and Mindy. I had a chance, by the way, to visit with some of our fellow citizens earlier. And I got to listen to what this tax bill—these tax bills

meant for them. And the Bakers are with us, Doug and Mindy. They've got three children, by the way, all of them 5 years or younger. Amazing thing is, is that Mindy Baker doesn't have gray hair yet. [Laughter] But they got their check in the mail for the increase in the child credit. It was \$800. The reason they didn't get 1,200 is because the littlest one, Josiah, wasn't born in time.

But I want to tell you what they told me. They said, that tax relief means peace of mind—their words, not mine. He said, "I'm taking care of my family. We're now prepared to take care of unexpected things." The \$800 mattered to the Biby family, just like it mattered to the Biby family—they're with us, the proud mom and dad of Jacob and James. They saved about \$1,900 as a result of the tax relief. He told me, Kevin Biby told me, he said, "You know, I'm going to use that money to help repair my car." That means the guy who repairs the car, he's getting a little extra work. That means he's going to be able to have a little money in his pocket as well.

Sharon Okey is with us here. Sharon has got the toughest job in America; she's a single mom of five kids. She's got a college junior. She got that check in the mail for the child credit. She told me, she said, it helped Jennifer, her oldest, go to college. It mattered. It matters when people take that money, for example, and go buy school supplies. Somebody's got to produce the school supplies. Somebody's got to sell the school supplies. It affects economic vitality and growth when people are spending money. The more money people have in their pockets when times are slow, the more likely it is our economy is going to recover. And that's why I fought for and Congress passed tax relief on behalf of the working people of America.

Greg and Cathy Habegger are with us today—Habegger are with us, and they've got Jack and Ben, so they got a check in the mail too, plus the rate reductions. They're saving about \$1,700 a year. He said it helped pay for some paint and furniture for their house. Well, when they went out and bought the furniture, it means somebody who's making furniture has got more job security. And maybe if that furniture manufacturing company was full, maybe they're at capacity, that

extra piece of furniture could cause somebody else to find work.

If you see what I'm saying—in other words, when we put money in circulation—by the way, it's your money, not the Government money—when it's your—got your money to spend, and you're circulating it around, it has an effect on the economy.

So not only are we helping people do their jobs as moms and dads, and not only are we providing financial relief when times are tough so families can breathe a little easier, we're also helping somebody who's looking for work. Money in circulation through increased demand means somebody is going to likely find work when they produce the product to meet that demand.

And let me tell you what else the tax relief did. It helped the small businesses all across America, small businesses just like this. And that's important because small businesses create most of the new jobs in America. If your small-business sector is vibrant and healthy, somebody is likely to find a job.

Now, what's interesting about tax relief that a lot of people didn't understand is that most small businesses are what they call sole proprietorships or Subchapter S corporations, just like this one. It's a Subchapter S corporation, which means that the business pays taxes at the individual income tax rates. So when you reduce individual income taxes, the sole proprietorship or the Subchapter S really receives tax relief. The tax cuts help small businesses because it gave them more money, more money in their coffers to expand their job base. You just heard Cathy say, as a result of the tax relief, she now feels comfortable about adding five new employees. Tax relief means new jobs for Americans.

Part of the plan to stimulate growth amongst the small businesses was to allow small businesses to deduct up to \$100,000 of new equipment, investment in new equipment and technologies. It used to be only \$25,000. So you see, when you increase the capacity for somebody to deduct more, you provide an incentive for people to make bigger purchases. And so the Langhams have told me that they're thinking about buying some new computer software that will make the employees of this company more productive, will make the company more competi-

tive, and will also help somebody who is making the computer software. That's how the economy works.

When the Langhams spend money, not only does it help their own employees, not only will it help the five folks that they're fixing to hire, but it helps the people providing products for this company. Tax relief is stimulating growth and tax relief is stimulating job creation all across the country.

But as I mentioned to you, we've got more work to do, and I want to talk about some things that can be done. There are still people looking for work. The economy is growing. Homebuilding is strong. People are getting more confident. The purchases of factory orders for heavy machinery is good, and it's up. But people are still looking for work.

One of the reasons why is that when you're coming out of slow times, job creation is the last thing to arrive on the scene. A lot of employers are saying, "Well, I want to make sure the economy is as good as it sounds like before I put on a new worker."

Another reason why is because our workers are so productive. Productivity—we've got the highest productivity, the most productive workers, in the world. And when productivity goes up, it means that a worker can have more output per hour. And therefore, in order for job creation to grow, the economy must grow faster than productivity gains. In other words, if a worker can do more per hour, in order for a new worker to be hired, the demand must be increased by as much, if not greater than, productivity increases.

And so, we've got a short-term problem. Long term, it's good that we're more productive. It means higher wages for the American worker. It means we're more competitive overseas. Short term, this economy needs to crank up faster than productivity increases in order for somebody to find a job.

And so, that's what I want to talk to you about, how best to encourage continued growth, how to make sure this economy continues to grow. Well, first of all, we need to deal with our health care issue. We want to make sure health care is available and health care is affordable. One way to make sure health care is affordable for small businesses like the Langhams' is to allow for the creation of what we call association health plans,

which will allow small businesses to come together to pool risk and to have bargaining power just like big businesses can.

Another way we can work on health care costs and to make sure health care is available for our citizens is to deal with this issue of medical liability. There's too many frivolous lawsuits which are driving up the cost of medicine. If you're a doctor and you're afraid you're going to get sued, you practice unnecessary medicine in order to cover yourself in a court of law. That drives up your cost of medicine. It drives up the Langhams' cost for health care. Preventative medicine, because of litigation, is running up your bill.

Now, I believe if you've been harmed by a doc, you ought to have your day in court, and you ought to recover full economic damages. And I think that's only fair in America. I do think there ought to be a cap at 250,000 on noneconomic damages. And I think there ought to be reasonable punitive damages. There ought to be reasonable punitive damages.

And because high cost of health care run up the cost of the Federal budget—you see, when health care goes up, Medicaid budgets go up, and Medicare budgets go up, and the Veterans Health Administration budgets go up. Because it affects our budget, I believe medical liability reform is a national issue which requires a national solution. The House of Representatives act. The Senate must pass good medical liability reform on behalf of economic vitality and on behalf of the workers all across the country.

Some other things we can do, we can get a class action reform out of the United States Senate. And one thing we can do is make sure these lawyers aren't able to shop all around the country for a favorable jury, by moving class action suits into the Federal court. And we need to reform the system so that when there is a verdict, the lawyers don't get the money, but the people who have been harmed get the money.

We need to continue to work for regulatory relief on small and large businesses, so that instead of filing needless paperwork, you're working to make your workforce more productive and to meet the needs of your customers.

We need to make sure we have an energy policy. If we want this economy to continue to grow—we're interested in economic growth. This is a State that relies upon the manufacturing sector a lot, in Indiana. You need to have reliable sources of energy if you want your economy to grow. We need an energy policy. I've been talking to Congress about this for 2 years. It doesn't make any sense to have haphazard policy.

We need energy policy to make sure our electricity grid is brought up to date and is more modern. We need energy policy that encourages alternative sources of energy, like those grown right here in the fields of Indiana, called corn, converted to ethanol. We need to make sure we develop environmentally friendly ways to explore for more energy. We need clean coal technology. We need, for the sake of national security and economic security, to be less dependent on foreign sources of energy.

I believe when you see the label "Made in the U.S.A.," it's the stamp of quality. And therefore, one way to encourage job growth is to open up markets and to level the playing field for U.S. products. Just give us a level playing field, and we can compete with anybody, anyplace, anytime.

And finally, in order for there to be economic vitality and job creation and growth, there needs to be certainty in the Tax Code. In other words, people who are making investments must understand what the rules are going to be. The problem is, is that all the tax relief I've discussed with you, because of quirks in the rules, start fading out in 2005. The child credit, at some point in time, will go back down. The marriage penalty will go up. In other words, what I described to you goes away. If Congress is really interested in job creation, they will make every one of the tax relief measures we passed permanent.

You will hear talk about the deficit. We have a deficit. We have a deficit in part because of the recession. When you have a recession, you get less money into your treasury. When the economy slows, there's less revenue coming to Washington, DC. About half of the deficit is caused by the recession that we're trying to get out of.

A quarter of the deficit is caused by the fact that we're spending money to defend

America. My attitude is, anytime we put one of our troops in harm's way, they deserve the best pay, the best training, and the best possible equipment. This Nation will spend what it takes to win the war on terror and to protect the American people.

About a quarter of the deficit was caused by the tax relief. But the tax relief is helping us recover from the recession. It was needed. It was needed to make this economy grow. And as the economy grows, more revenues come into the Treasury. The best way to cut down the deficit—and I've got a plan to reduce it in half in 5 years—is for Congress to set priorities and not overspend.

Discretionary spending prior to my arrival was increasing at 8.7 percent. Working with fine Senators like Dick Lugar, we've got discretionary spending down during this budget cycle to 4 percent.

There is no question that we've been challenged. But those challenges came to the right people. I have been so proud of our country. We are a country that is determined and strong and tough when we need to be tough and compassionate when we need to be compassionate. We've overcome a lot. We've overcome war, attacks on our country, recessions, corporate scandals. And yet we're still strong. We're vibrant. We're a great nation. We're a great nation because of our ideals and our beliefs. We believe in human dignity. We believe everybody has worth. We believe in freedom and the promise of freedom.

Ours is a nation dedicated to a world of peace, and we will use our strength to achieve peace. And ours is a nation dedicated to uplifting every citizen who lives in this country by giving every person a chance to realize the great promise, the American Dream.

Thank you all for coming. May God bless you, and may God bless America.

NOTE: The President spoke at 2:54 p.m. in the warehouse at Langham Co. In his remarks, he referred to Gov. Frank O'Bannon of Indiana; and Cathy Langham, president, John Langham, vice president, finance and administration, and Margaret Langham, vice president, operations, Langham Co. This item was not received in time for publication in the appropriate issue.

## Remarks at a Bush-Cheney Reception in Indianapolis

September 5, 2003

Thank you very much. I appreciate it. Thanks. Thank you all. Please be seated. Thanks for the warm welcome. It's great to be back in the great State of Indiana. It's such a beautiful part of America. You know, Vice President Cheney and I did pretty well in the year 2000 in this State. [*Laughter*] The next time around we should do even better, riding on the coattails of my man Mitch.

I want to thank you all for coming tonight. It's a spectacular turnout. What we're doing is laying the groundwork for a strong foundation for what will become a great victory in November of 2004.

I'm going to count on you for energizing the grassroots, for putting up the signs and mailing out the mailers and making the phone calls, for going to the coffee shops and reminding your fellow citizens that ours is a vision that includes everybody. Ours is a hopeful and optimistic vision for everybody who lives in the United States of America.

The political season is coming pretty soon, and I'm loosening up. I'm getting ready, but right now I've got a job to do. And my job is to work on behalf of the people of America. I'm going to continue to work hard to earn the confidence of every American, keeping this Nation secure and strong and prosperous and free.

I appreciate so very much my friend Al Hubbard. I didn't realize he was so articulate. [*Laughter*] Maybe he wasn't. [*Laughter*] But he's a great friend. I want to thank his leadership.

My regret tonight is that the First Lady is not traveling with me. I married above myself. Laura is a remarkable person. I love her dearly. She's doing a great job on behalf of the American people.

I want to thank Bob Graham for his work on this event. I, too, want to thank all the table captains and people who have worked hard to make this an enormous success. I appreciate my friend Mercer Reynolds from